UNIVERSIDAD DEL ROSARIO

BILATERAL TRADE BETWEEN NEW ZEALAND & THE PACIFIC ALLIANCE:
Perspectives and possibilities for further trade engagement

Research Document

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Bogotá, Colombia

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1. Abstract

Due to the rapid and effective success of countries in the Pacific Rim for the last two decades, current world trade attention has been focused on what appears to be the common vision of the 'Pacific Century'. Reducing attention from the Atlantic and focusing it on the Pacific represents a new challenge for countries touching this ocean. The main Latin American economies bordering the pacific have taken upon this challenge with the creation of the Pacific Alliance in 2011. In this way, Chile, Colombia, Mexico and Peru intend to penetrate and increase trade with the region by forming a coalition.

The Pacific Alliance has attracted international attention, interest and support from nations around the world, counting 32 countries as observers; 7 are actually located in the region and six of them rank amongst the Top 15 world economies. As is expected, the possibility of closer trade engagement with big players such as China, India, Japan, South Korea or Australia absorb the main attention of media, governments and academics alike, leaving behind other feasible and possible opportunities unattended. That is precisely the case of New Zealand and its favourable commerce opportunities with the Pacific Alliance.

The following document will study the major trends and variations in trade between New Zealand, the Pacific Alliance and its members between 2010 and 2014. With a small proportion of mutual trade share, the two players cannot be considered key markets for each other. However, due to the early stage of their bilateral relations and commerce, in comparison with the main trade partners, mutual trade is most likely to keep on growing. The author's literature review on the subject indicates no other study alike between these two economies, presumably making this the first analysis of the topic.

Key words: Bilateral trade, emerging markets, Pacific Alliance, trade in Latin America, and trade in New Zealand.

2. Introduction

2.1 Problem's approach

Since its creation at Lima on the 28th of April 2011, the Pacific alliance has attracted attention and expectation from countries worldwide, but particularly those located in the Asia-Pacific region. Thirty two countries are now observers of the treaty from which seven of them (China, India, Singapore, South Korea, Japan, Australia and New Zealand) are located in the Pacific region and have been proactively looking forward to increasing trade with the Alliance (Alianza del Pacífico, 2011).

Without a doubt, the purpose behind the creation of the Pacific Alliance is, for Chile, Colombia, Mexico and Peru, to penetrate and develop trade with the Pacific market as a coalition and strengthened the trade relations with this side of the globe. As is expected, the bigger the economy, the bigger the attention it can capture, and that is precisely the case for China, Japan, India, Australia, South Korea and Indonesia. All of the aforementioned rank amongst the Top 16 economies worldwide in terms of real GDP (International Monetary Fund, 2015) and with whom, most of the members of the Pacific Alliance have shown high interest in deepening their trade engagement. However, from this group of keen observers to the treaty, a smaller nation in terms of economic size and demographics gets shadowed by the rest, New Zealand.

No literature has been written about the trade engagement between New Zealand and the Pacific Alliance. Due to obvious geographical reasons, New Zealand's trade has been mainly focus in Central, South-East and Austral Asia. Nevertheless, since the economic improvement of the Latin American region and an interest to diversify their exports[1] the country has been aiming to diversify its export destination portfolio, raising its interest for their far Latin neighbours across the pacific.

[1] In 2013, New Zealand's top 4 export destinations: China (21%), Australia (18%), USA (9%) and Japan (7%) represented 55% of their total export, showing a clear sign of trade conglomeration.

Both New Zealand and the Pacific Alliance members have more things in common than one may usually spot at first sight: a deep agricultural legacy, a marked indigenous past and a former colonial regime, amongst others. A further trade, economic and even social engagement between the two parties has yet barely reached its infancy and that is precisely what this very document will attempt to explore.

2.2 Justification

Using official data from the International Trade Centre's tool: Trade Map, which is powered by the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO), this study provides an analytical observation of statistical evidence regarding bilateral trade between New Zealand, the Pacific Alliance and its members between the five year period of 2010 – 2014. Very few studies have taken upon reviewing the commercial relationship between these two territories and none have examined the actual trends and patterns in trade.

On the one hand, there is New Zealand, which is a modern democratic society of about 4.5 Million inhabitants located in the Pacific Ocean, to the South East of Australia. Exports of goods and services represent around 30% of their GDP. Its main trading partners are: Australia, China, ASEAN, North America, the European Union, Japan and South Korea. New Zealand's international trade portfolio is wide but relies on commodity-based products as its main exports. And raw materials, as well as capital equipment for industry for imports. New Zealand is a member of the World Trade Organization (WTO), the Asia Pacific Economic Cooperation (APEC) and the East Asian Summit. (New Zealand ministry of Treasury, 2015)

On the other hand, the Pacific Alliance, created in April 28th 2011, incorporates Chile, Colombia, Mexico and Peru, the main Latin American economies bordering the Pacific Ocean. As a unit, the Pacific Alliance represents a population of about 212 million people, the eight largest economy and seventh largest exporting entity worldwide. It represents 36% of GDP and 50% of foreign direct investment in the Latin American region. Its four members are also part of the World Trade Organization and are highly regarded members of other big trade agreements such as:

NAFTA, UNASUR and the Andean community. It aims to promote trade, particularly with the Asia-Pacific Region (Alianza del Pacífico, 2011).

It is of interest, therefore, to study this young but promising trade opportunity between New Zealand and the Pacific Alliance from the beginning of this decade to the present time. The conclusions and suggestions provided can be of a potential use for both New Zealand and the Pacific Alliance members in regard to:

- Government agencies when considering further trade engagement.
- Bilateral chambers of commerce when targeting industries and official support.
- Trade support institutions when considering overseas approaches.
- Large, medium and small companies alike when exploring the possibility of importing or exporting to and from New Zealand, Chile, Colombia, Mexico and Peru.
- Large agricultural companies looking to develop Joint ventures and technology transmission particularly in the dairy sector.

2.3 Objectives

The following research document has as its main objective to study the major trends and variations in trade between New Zealand and the current members of the Pacific Alliance: Chile, Colombia, Mexico and Peru. It also aims to:

- Establish trade proportions according to the Standard International Trade Classification.
- Spot and suggest possible common grounds for future commerce.
- Conclude the particular industries in which both parts can find a commercial advantage when trading with each other.

2.4 Reach and research relevance

The following project closely relates to the Rosario University research interest and its main core subject of corporate durability. To begin with, the project will be attached to the 'Business Reality' research line and its consequent internationalization program. The results of the research document proposed here will contribute to the understanding of the Pacific Alliance and New Zealand organizations in regard to the different agents and the context of the current international environment. Government, business sectors and companies alike have the potential to gain with the results of this study, since its conclusions will rely on hard statistical data showcasing strengths, weaknesses and opportunities with a further trade engagement. Therefore, this trade analysis will bring some light into the macroeconomic discussion of targeting the Pacific region as the next frontier of commerce growth for the Latin American market, as well as proposing an approach towards the internationalization and trade engagement within the countries of the Pacific Alliance and New Zealand.

3. Theoretical and conceptual fundaments

Going to the very macroeconomic fundamentals, this trade analysis between the Pacific Alliance and New Zealand will consider the economic principal of net exports, defined as the surplus of exports over imports. In this particular case, the bilateral net exports have grown from nearly USD$140 million in 2010 to around USD$165 five years later (this will be shown latter on). Trade volume starts from a very low base so we are yet to see the benefits as the treaty consolidates and average income increases within the four Latin American countries. Other than the true consolidation of the alliance, assuming *ceteris paribus* for the rest of the economic factors, the following cases would also benefit one or both of the players analysed here: 1) an increase in the Latin American country's income expands the trade balance and therefore grows New Zealand's aggregated demand. 2) A real depreciation of the New Zealand dollar improves the trade balance, also increasing the aggregated demand. 3) A rise in New Zealand's income rises income spending and henceforth worsens the trade balance (Dornbusch, Fischer, & Startz, 2004).

Having in mind the particular factors that could potentially increase the mutual net exports, it is relevant to evaluate why to consider a coalition and not a country as such for trade partnership. This topic on united territories is one of the main concerns for economic geography: an approach to economics, and therefore trade, from a geographic perspective. According to Kuroiwa & Tusubota, there are two main theoretical approaches towards regional economic integration: Paul Krugman argues that economic integration disperses industrial activity from an industrialized 'core' to an agricultural 'periphery', hoping to achieve scale economies while minimising transportation costs. This core-periphery pattern, he argues, depends on transportation costs, economies of scale and manufacturing's share of national income (Krugman P. , 1991). In contrast, other approaches argue that economic integration increases regional integration of economic activities. Both conclusions are based upon models of New Economic Geography (NEG) and reach alternative conclusions due to their variation in assumptions and conditions (Kuroiwa & Tsubota, 2014).

As Paul Krugman points out in his work about economic geography: "the lines between international economics and regional economics are becoming blurred […] as some nations become a unified market, with free movement of capital and labour, it will make less and less sense to think of the relations between its component nations in terms of the standard paradigm of international trade" (Krugman, 1991). For the Pacific Alliance, this economic integration is being consolidated at a fast rate. In terms of capital markets, since 2014 the four nations can fully trade each other's stocks thanks to the Latin American Integrated Market – MILA, increasing their potential growth by offering a better exposure of their markets and larger portfolio to local and foreign investors. By December 2014, MILA represented a market capitalization of nearly USD$988 Million, making it the largest capital market in Latin America & the Caribbean. Though the largest in the region, substantial improvement in terms on transaction volume has yet to come, due to the early stage in of the current integration level (Uribe Gil & Mosquera López, 2014) (MILA, 2015). In terms of labour, with a combined population of around 214 million people, a visa process is still required in order to work in any of the other member countries, limiting the labour force mobility within the alliance. It is worth mentioning that outstanding work has been done in terms of student mobility for postgraduate students at the masters and doctorate level, exchanging knowledge and encouraging joint research, thanks to the "Plataforma de movilidad

estudiantil y académica de la Alianza del Pacífico", which has supported more 1.500 students so far. (Alianza del Pacífico, 2015)

As Krugman highlights, there is a great value in considering regional economies for a country like New Zealand when considering a possible Free Trade Agreement, instead of pursuing one with each of the member countries. This is a practical argument for New Zealand when looking towards expanding or straightening its commercial frontiers with Latin America.

On the other hand, integration is still being consolidated within the countries of the alliance from a starting point. The level of integration is a key point in Krugman's argument, establishing that "there is a U-shaped relationship between economic integration and welfare: close integration is good, but a limited move toward integration may hurt" (Krugman, 1991). Representing a challenge for the policy makers within the alliance's government. The economic integration is enough for this early stage. However, as previously demonstrated, the alliance still needs to encourage capital flows to a higher extent and lacks free labour mobility. Improvements in these areas must be done in order to fully benefit from the treaty and increase competitiveness with the New Zealand market.

The formation of the Pacific Alliance is proof that Preferential Trade Areas (PTA's) are a successful way for countries to increase trade and create market opportunities. Another factor in favouring the treaty itself and the comparative advantage it holds, is the relative similarities they share in size, income and location. Historical evidence found and studied by (Cheong, Kwak, & Tang, 2015) concludes that when countries share such similarities, they enjoy a considerably larger effect on trade flows between them as well as a higher benefit when signing agreements with other territories. Similarities in language, culture, relative size, relative income, relative development and geographical location, give Chile, Colombia, Mexico and Peru a theoretical head start by building an alliance that looks towards the Pacific. There is a "substantial neighbourhood premium" effect for Preferential Trade Areas formed within the south or the north. Additionally, and contrary to conventional intuition, developing economies forming PTA's amongst themselves show two and a half times the gains than partnering with industrial economies (Cheong, Kwak, &

Tang, 2015), giving the Alliance an extra factor for potential success and increasing its chances for competitiveness in considering growing trade with New Zealand.

Considering the potential of the Alliance to its members and the benefits for a country like New Zealand to engage with the Alliance as a whole, this bilateral trade analysis will determine, one by one, the trade shares between New Zealand and the Pacific Alliance's members according to the Standard International Trade Classification (SITC) single and multiple digit categories, in order to give a snapshot of the current trade engagement and its advance since the beginning of 2010.

4. Methodological framework

As it was previously stated under the identified necessity for this document, a lack of current information about trade engagement between New Zealand and the Pacific Alliance will be enlightened by the evidence this document will provide. The present document will follow an analytical approach, based on a trend analysis between New Zealand, the Pacific alliance and each of its four members in order to determine the biggest players within the alliance and trade flow trends between 2010 and 2014. It will also determine trade proportions of commodities in New Zealand's exports to the Pacific Alliance and the commodities in New Zealand's imports from the Pacific Alliance, according to the 9 SITC categories, as well as its consequent two digit subcategories:

0. Food and live animals
1. Beverages and Tabaco
2. Crude materials, inedible, except fuels
3. Mineral fuels, lubricants, and related materials
4. Animal and vegetable oils, fats and waxes
5. Chemical and related products
6. Manufactures goods, classified chiefly by material
7. Machinery and transport equipment

8. Miscellaneous manufactured articles
9. Commodities and transactions not in SITC

The intended approach will mainly consider the Trade Map Tool, from the International Trade Centre. According to its own description, Trade Map is "an online tool with monthly, quarterly and yearly international trade data combined with statistical indicators and information on trading companies which helps prioritize export or import markets." This tool has been developed and powered by the United Nations Conference on Trade and Development (UNCTAD) in coalition with the World Trade organization (WTO) and the various country official statistical departments that contribute to this objective. Its aim is to reveal a country's "comparative and competitive advantage, identifying the potential for market or product diversification and designing and prioritizing trade development programmes for both firms and trade support institutions." (Trade Map, 2015)

5. Data analisis and results

The trends in trade flows between New Zealand and the Pacific Alliance are shown in Table 1 and Table 2. New Zealand shows an average trade (in terms of value for the last 5 year period) that is 1.5 times higher in comparison to the Pacific Alliance, quite an interesting fact considering the comparative size between the two economies. Although the average export growth rate of the Alliance is slightly higher, it shows a continuous drop until 2014, when it reaches its peak.

Table 1

Trends in trade between New Zealand & the Pacific Alliance

Year	New Zealand's exports to the Pacific Alliance	Grow Rate	New Zealand's exports to Chile	New Zealand's exports to Colombia	New Zealand's exports to Mexico	New Zealand's exports to Peru
2010	365.19		43.05	8.22	258.47	55.45
2011	451.55	23.65%	48.94	9.87	330.27	62.47
2012	409.73	-9.26%	62.04	10.77	227.51	109.41
2013	466.40	13.83%	122.75	10.83	244.50	88.32
2014	525.13	12.59%	122.77	13.90	240.62	147.84
Average		10.20%				

Unit : US Dollar Million

Source: Estimated using data from the International Trade Centre: Trade Map. Recovered in June 2015

Table 1: Trends in trade between New Zealand & the Pacific Alliance

Within the Alliance, Mexico represents by far the most relevant trade partner, being responsible for around 46% of the imports and 58% the Alliance's exports in 2014. However, its participation rate has been decreasing from the beginning of the decade, when it had around a 71% share for imports and a 73% portion for exports.

Table 2

Trends in trade between New Zealand & the Pacific Alliance

Year	New Zealand's imports from the Pacific Alliance	Grow Rate	New Zealand's imports from Chile	New Zealand's imports from Colombia	New Zealand's imports from Mexico	New Zealand's imports from Peru
2010	225.90		30.57	10.67	166.04	18.63
2011	268.54	18.87%	56.70	10.69	172.70	28.45
2012	306.26	14.05%	51.16	15.85	204.76	34.48
2013	300.74	-1.80%	46.35	14.01	214.55	25.83
2014	360.42	19.85%	93.46	17.21	208.88	40.88
Average		12.74%				

Unit : US Dollar Million

Source: Estimated using data from the International Trade Centre: Trade Map. Recovered in June 2015

Table 2: Trends in trade between New Zealand & the Pacific Alliance

After Mexico, comes Chile (New Zealand's closest neighbour to the East) with almost a quarter of the Alliance's imports and exports in 2014. Peru follows next, with an increasing 28% share of the Alliance's imports and a stable 11% for exports. Finally, Colombia, has a steady 3% share of imports and 5% of exports. The average balance of trade between the Pacific Alliance and New Zealand, in the last decade, leans in favour of the latter with about USD$152 Million.

The share of commodity groups in New Zealand's Exports to the Pacific Alliance can be seen in Table 3 and vice versa in Table 4 , where the group categories have been displayed in single digit codes, according to the Standard International Trade Classification.

Table 3

Share of commodities in New Zealand's Exports to the Pacific Alliance

SITC	Description	2010	2011	2012	2013	2014
0	Food and live animals	246.23	331.63	271.86	287.68	321.05
1	Beverages and Tabaco	12.64	15.63	16.03	18.62	20.86
2	Crude materials, inedible, except fuels	4.38	2.49	4.33	5.79	4.50
3	Mineral fuels, lubricants, and related materials	43.34	45.41	56.87	87.09	102.51
4	Animal and vegetable oils, fats and waxes	2.48	4.22	2.40	4.30	5.33
5	Chemical and related products	0.88	1.05	1.85	2.98	4.39
6	Manufactures goods, classified chiefly by material	0.28	0.60	0.21	0.17	0.11
7	Machinery and transport equipment	4.24	2.83	6.61	4.02	7.13
8	Miscellaneous manufactured articles	40.07	39.83	39.02	46.57	46.84
9	Commodities and transactions not in SITC	10.64	7.88	10.54	9.20	12.42

Unit: US Dollar Million

SITC: Standard International Trade Classification.

Source: Estimated using data from the International Trade Centre: Trade Map. Recovered in June 2015

Table 3: Share of commodities in New Zealand's Exports to the Pacific Alliance

New Zealand’s export items are mainly concentrated in groups 1, 3 and 8, but particularly in group 0, they have seen steady growth. The highest increase rates can be found in groups 3, 4 and 5. And the most dramatic decrease in group 6. Appendix Table A1 and A2 brake down the shares in further detail.

Table 4

Share of commodities in New Zealand's Imports from the Pacific Alliance

SITC	Description	2010	2011	2012	2013	2014
0	Food and live animals	22.06	28.79	31.48	32.68	37.08
1	Beverages and Tabaco	5.84	5.55	9.98	8.37	17.36
2	Crude materials, inedible, except fuels	30.51	42.72	47.60	42.55	56.81
3	Mineral fuels, lubricants, and related materials	15.56	18.13	22.32	20.38	18.95
4	Animal and vegetable oils, fats and waxes	17.07	22.84	23.80	24.41	50.97
5	Chemical and related products	0.80	0.86	1.31	5.99	4.52
6	Manufactures goods, classified chiefly by material	4.15	5.25	5.62	5.63	5.74
7	Machinery and transport equipment	3.21	5.45	6.89	10.65	21.48
8	Miscellaneous manufactured articles	112.68	120.38	129.94	116.78	110.44
9	Commodities and transactions not in SITC	14.02	18.59	27.30	33.29	37.07

Unit: US Dollar Million

SITC: Standard International Trade Classification.

Source: Estimated using data from the International Trade Centre: Trade Map. Recovered in June 2015

Table 4: Share of commodities in New Zealand's Imports from the Pacific Alliance

The Pacific Alliance’s export items are mainly concentrated in groups 0, 2 and 4, but particularly in group 8, growing steadily since the beginning of the decade. The highest increase rates can be found in groups 4, 5 and 7. The most relevant drop in group 8. Appendix Table A3 and A4 brake down the shares in further detail.

Information about New Zealand's share in the Pacific Alliance's trade and vice versa can be seen between 2010 and 2014 in Table 5 and Table 6. New Zealand's shares in the Pacific Alliance's imports and exports were 0.59% and 0.31% respectively in 2014. Scoring above the half decade average and with a trend of continuous growth, the trade’s behaviour starts from a very low base, but it is promising for New Zealand Exports. The average balance of trade percentage does not play in favour of the Alliance at around -0.23%, showing a strong and steady entry of New Zealand exports particularly in Peru and Chile.

Table 5

New Zealand's share in the Pacific Alliance's trade

Year	Imports	Exports	New Zealand's share in Chile's trade		New Zealand's share in Colombia's trade		New Zealand's share in Mexico's trade		New Zealand's share in Peru's trade	
			Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
2010	0.39%	0.18%	0.06%	0.04%	0.02%	0.03%	0.12%	0.06%	0.19%	0.05%
2011	0.39%	0.20%	0.07%	0.07%	0.01%	0.02%	0.12%	0.05%	0.18%	0.06%
2012	0.47%	0.22%	0.08%	0.07%	0.01%	0.03%	0.09%	0.06%	0.28%	0.08%
2013	0.45%	0.20%	0.14%	0.06%	0.02%	0.02%	0.10%	0.06%	0.19%	0.06%
2014	0.59%	0.31%	0.18%	0.12%	0.02%	0.03%	0.09%	0.05%	0.31%	0.11%
Average	0.46%	0.22%								

Source: Estimated using data from the International Trade Centre: Trade Map. Recovered in June 2015

Table 5: New Zealand's share in the Pacific Alliance's trade

On the other hand, the Pacific Alliance's shares in New Zealand's imports and exports were 0.83% and 1.24% respectively in 2014. The average balance of trade plays in favour of New Zealand with a difference of around 0.41%, having Mexico with the largest share in its trade in comparison to the other countries of the Alliance.

Table 6

Pacific Alliance's share in New Zealand's trade

Year	Imports	Exports	Chile's share in New Zealand's trade		Colombia's share in New Zealand's trade		Mexico's share in New Zealand's trade		Peru's share in New Zealand's trade	
			Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
2010	0.75%	1.18%	0.10%	0.14%	0.04%	0.03%	0.55%	0.84%	0.06%	0.18%
2011	0.74%	1.20%	0.16%	0.13%	0.03%	0.03%	0.48%	0.88%	0.08%	0.17%
2012	0.80%	1.10%	0.13%	0.17%	0.04%	0.03%	0.54%	0.61%	0.09%	0.29%
2013	0.76%	1.18%	0.12%	0.31%	0.04%	0.03%	0.54%	0.62%	0.07%	0.22%
2014	0.83%	1.24%	0.22%	0.29%	0.04%	0.03%	0.48%	0.57%	0.09%	0.35%
Average	0.78%	1.18%								

Source: Estimated using data from the International Trade Centre: Trade Map. Recovered in June 2015

Table 6: Pacific Alliance's share in New Zealand's trade

6. Conclusions and recommendations

Comparatively, trends in trade between New Zealand and the Pacific Alliance show a *superavit* on the New Zealand side of around 1.5 times in comparison, representing around USD$152 Million in average during the last half decade. Mexico is the main partner by far within the Alliance, followed then by Chile, Peru and Colombia. The average balance of trade percentage of the Pacific Alliance is at -0.23% and 0.41% for New Zealand, showing, again, the current benefit of the latter in the young commercial partnership.

New Zealand's strong and traditional dairy industry is reflected in the data. Food and livestock (SITC O) represent the largest exporting category, with subsequent groups: 0402, 0403, 0404, 0405 and 0406, ranking constantly in the Top ten exporting products to all the countries of the alliance. Other main export contributors are:

- Beverages and Tabaco (SITC 1)
- Mineral fuels, lubricants, and related materials (SITC 3)
- Miscellaneous manufactured articles (SITC 8)

Special attention should be drawn to SITC 3 as it shows the highest increase for the last half decade.

As a whole, the Pacific Alliance shows a strong performance in miscellaneous manufactured articles (SITC 8) pushed alone by Mexico with a strong and high value automotive and manufacturing industry in subsequent groups: 8418, 8471, 8516, 8517, 8528 and 8703 filling more than half of Mexico's Top ten exports. Other main contributors are:

- Food and live animals (SITC O)
- Crude materials, inedible, except fuels (SITC 2)
- Animal and vegetable oils, fats and waxes (SITC 4)

Group SITC 4 has shown the highest increase in the last 5 years and SITC 8 a very slight decrease.

Overlaps in export groups cannot be seen, except in groups SITC 0 and SITC 8. While New Zealand's exports are based on dairy products, the Alliance's is based on coffee, fruits and flowers, which represents an opportunity of complementing and not a treat of substituting. The same is true for the manufactured articles.

Attempts to further trade engagement is recommended as the average income in the Alliance's countries keep on improving and New Zealand represents a more similar business culture within the Pacific region. Also, as it has been shown, trade for the last five year period indicates a steady growth from a low base, which indicates that as the economies become more intertwined and Free Trade Agreements are implemented, the bilateral commerce shows every indication of improving with a growing rate. The evidence leads me to believe that a very promising future is yet to come out of this young but growing exchange.

Table A1

Share of commodities in New Zealand's Exports to the Pacific Alliance

SITC	Description	Chile					Colombia					Mexico					Peru				
		2010	2011	2012	2013	2014	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
0	Food and live animals	4.16	11.76	23.54	70.06	59.86	0.32	0.60	0.74	0.52	0.98	196.17	267.98	148.57	138.92	123.93	45.58	51.29	99.01	78.19	136.29
1	Beverages and Tabaco	4.81	6.78	8.27	10.54	12.39	0.35	0.31	0.49	0.76	0.78	0.23	0.28	0.17	0.43	0.35	7.25	8.26	7.10	6.90	7.34
2	Crude materials, inedible, except fuels	1.17	1.02	1.29	4.36	2.91	1.89	0.31	0.69	0.44	0.27	1.10	0.81	1.72	0.46	0.70	0.23	0.35	0.63	0.53	0.62
3	Mineral fuels, lubricants, and related materials	1.94	2.86	3.61	4.15	4.10	1.10	1.69	1.39	1.46	7.15	40.16	40.81	51.59	80.91	90.96	0.14	0.05	0.29	0.56	0.29
4	Animal and vegetable oils, fats and waxes	1.58	1.86	1.97	4.05	4.83	0.02	1.64	0.24	0.06	0.11	0.66	0.45	0.12	0.17	0.25	0.22	0.27	0.07	0.01	0.13
5	Chemical and related products	0.39	0.17	0.86	1.36	1.78	0.01	0.02	0.02	0.16	0.02	0.47	0.86	0.97	1.46	2.58	0.00	0.00	0.01	0.00	0.02
6	Manufactures goods, classified chiefly by material	0.28	0.45	0.14	0.12	0.06	0.00	0.01	0.05	0.00	0.00	0.01	0.05	0.02	0.04	0.04	0.00	0.09	0.00	0.00	0.00
7	Machinery and transport equipment	2.01	0.65	0.51	1.48	0.80	0.00	0.05	0.03	1.31	0.12	2.22	1.71	6.06	1.21	6.19	0.01	0.41	0.01	0.02	0.03
8	Miscellaneous manufactured articles	20.75	21.42	18.53	24.39	29.51	3.89	4.39	4.19	4.62	2.39	14.53	12.90	14.89	16.56	12.48	0.91	1.12	1.41	1.01	2.46
9	Commodities and transactions not in SITC	5.96	1.97	3.34	2.25	6.54	0.64	0.85	2.93	1.51	2.08	2.92	4.42	3.40	4.33	3.15	1.12	0.64	0.87	1.12	0.66

Unit: US Dollar Million

SITC: Standard International Trade Classification.

Source: Estimated using data from the International Trade Centre: Trade Map. Recovered in June 2015

Table 7: Share of commodities in New Zealand's Exports to the Pacific Alliance

Table A2

Top twenty New Zealand exports to the Pacific Alliance in 2014

Rank	Chile		Colombia		Mexico		Peru	
	SITC	Industry	SITC	Industry	SITC	Industry	SITC	Industry
1	'0406	Cheese and curd	'3924	Tableware, kitchenware, toiletery articles, of plastic	'3501	Casein, caseinates and other casein derivatives and glues	'0402	Milk and cream, concentrated or sweetened
2	'0405	Butter and other fats and oils derived from milk	'9019	Mechano-therapy appliance (artif resp, massage app, ozon/oxygen)	'0405	Butter and other fats and oils derived from milk	'0405	Butter and other fats and oils derived from milk
3	'1209	Seeds, fruit and spores, for sowing	'1702	Sugars,nes,incl chem pure lactose etc; artif honey; caramel	'0402	Milk and cream, concentrated or sweetened	'0403	Buttermilk and yogurt
4	'8433	Harvesting/threshing machinery,hay mower,etc	'3501	Casein, caseinates and other casein derivatives and glues	'0204	Meat of sheep or goats - fresh, chilled or frozen	'1901	Malt extract; food preparations of flour, meal, starch or malt extract
5	'8428	Lifting/handling/loading/unloadg machinery (excl. lift/escalator/conve	'0307	Moluscs	'0406	Cheese and curd	'0303	Fish, frozen, whole
6	'8436	Agricultural,hortic,forest,bee keeping machinery;poultry incubator etc	'3002	Human & animal blood; antisera, vaccines, toxins, micro-organism cultu	'3502	Albumins, albuminates & other albumin derivatives	'8433	Harvesting/threshing machinery,hay mower,etc
7	'8422	Dish washing machines; machinery for aerating bottles	'8543	Electrical mach&app having individual function, nes	'7601	Unwrought alumimum	'1702	Sugars,nes,incl chem pure lactose etc; artif honey; caramel
8	'4819	Packing containers, of paper, paperboard, cellulose wadding, webs	'0404	Whey and natural milk products nes	'0810	Fruits nes, fresh	'9019	Mechano-therapy appliance (artif resp, massage app, ozon/oxygen)
9	'0402	Milk and cream, concentrated or sweetened	'8708	Parts & access of motor vehicles	'0202	Meat of bovine animals, frozen	'0206	Edible offal of red meat
10	'0511	Animal products nes;	'8423	Weighing machinery (excl balances of a sensitivity of 5 cg or better)	'8541	Diodes/transistors&sim semiconductor devices; etc	'0713	Dried vegetables, shelled
11	'0404	Whey and natural milk products nes	'8471	Automatic data processing machines;optical reader, etc	'5101	Wool, not carded or combed	'0406	Cheese and curd
12	'1901	Malt extract; food preparations of flour, meal, starch or malt extract	'3502	Albumins, albuminates & other albumin derivatives	'8504	Electric transformer,static converter (for example rectifiers)	'2501	Salt
13	'2937	Hormones; their derivatives; steroids nes	'8434	Milking machines and dairy machinery	'8433	Harvesting/threshing machinery,hay mower,etc	'1209	Seeds, fruit and spores, for sowing
14	'5607	Twine,cordge &cable, with rubber/plastic	'9027	Instruments for physical/chemical analysis;inst for viscosity,heat,etc	'0307	Moluscs	'8474	Machinery for sorting/screening/washg;agglomeratg/shapg mineral produc
15	'4411	Fibreboard of wood or other ligneous materials	'9018	Electro-medical apparatus (electro-cardiographs, infra-red ray app, sy	'9019	Mechano-therapy appliance (artif resp, massage app, ozon/oxygen)	'8473	Parts&acces of computers & office machines
16	'1702	Sugars,nes,incl chem pure lactose etc; artif honey; caramel	'8517	Electric app for line telephony,incl curr line system	'8462	Machine-tool for wrkg met by forging/ hammerg,etc	'2937	Hormones; their derivatives; steroids nes
17	'8543	Electrical mach&app having individual function, nes	'2204	Wine of fresh grapes	'9018	Electro-medical apparatus (electro-cardiographs, infra-red ray app, sy	'3501	Casein, caseinates and other casein derivatives and glues
18	'3824	Chemical industry products and residuals nes	'8443	Printing machinery; machines for uses ancillary to printing	'8418	Refrigerator, freezer, etc	'8517	Electric app for line telephony,incl curr line system
19	'1005	Maize (corn)	'8412	Engines and motors, nes	'0601	Bulbs, tubers, corms, etc	'8207	Interchangeable tl for hand tol, or for machine-tools
20	'8903	Yachts & other vessels for pleasure or sports	'9020	Other breathing appliance & gas masks	'0511	Animal products nes;	'4805	Uncoated paper and paperboard nes, in rolls or sheets

SITC: Standard International Trade Classification.

Source: Estimated using data from the International Trade Centre: Trade Map. Recovered in June 2015

Table 8: Top twenty New Zealand exports to the Pacific Alliance in 2014

Table A3

Share of commodities in New Zealand's Imports from the Pacific Alliance

SITC	Description	Chile					Colombia					Mexico					Peru				
		2010	2011	2012	2013	2014	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
0	Food and live animals	10.89	12.65	13.70	11.64	11.81	5.25	6.04	8.20	8.07	8.48	3.21	6.15	4.96	6.86	8.69	2.72	3.95	4.63	6.12	8.10
1	Beverages and Tabaco	1.87	3.09	2.90	2.88	2.67	0.27	0.20	1.92	0.14	1.96	1.31	1.22	1.19	1.77	1.63	2.40	1.04	3.97	3.58	11.09
2	Crude materials, inedible, except fuels	6.60	8.55	10.19	9.10	18.22	0.48	0.62	1.77	2.03	2.05	19.07	20.73	22.93	27.14	28.48	4.37	12.82	12.72	4.28	8.07
3	Mineral fuels, lubricants, and related materials	1.64	3.60	5.77	2.95	3.47	1.95	2.35	1.74	1.82	2.35	10.76	11.45	13.39	14.16	11.47	1.22	0.73	1.42	1.45	1.67
4	Animal and vegetable oils, fats and waxes	7.40	11.68	13.46	14.83	40.17	0.07	0.14	0.06	0.01	0.00	2.99	3.09	1.54	1.75	1.49	6.61	7.93	8.75	7.82	9.30
5	Chemical and related products	0.03	0.10	0.14	0.14	0.09	0.21	0.30	0.34	0.34	0.30	0.40	0.26	0.35	5.00	3.42	0.17	0.21	0.48	0.50	0.72
6	Manufactures goods, classified chiefly by material	0.05	0.06	0.03	0.10	0.04	0.17	0.23	0.30	0.16	0.21	3.35	4.00	3.85	4.21	4.66	0.58	0.96	1.44	1.16	0.84
7	Machinery and transport equipment	1.31	1.76	1.25	4.09	16.50	0.12	0.07	0.09	0.11	0.15	1.27	3.04	4.88	5.75	4.08	0.50	0.58	0.67	0.69	0.76
8	Miscellaneous manufactured articles	0.71	15.12	1.39	0.49	0.38	1.67	0.18	0.47	0.47	0.55	110.29	105.03	128.07	115.79	109.51	0.02	0.05	0.01	0.04	0.01
9	Commodities and transactions not in SITC	0.09	0.08	2.35	0.12	0.11	0.49	0.58	0.96	0.86	1.17	13.39	17.72	23.62	32.14	35.45	0.05	0.21	0.38	0.18	0.34

Unit: US Dollar Million

SITC: Standard International Trade Classification.

Source: Estimated using data from the International Trade Centre: Trade Map. Recovered in June 2015

Table 9: Share of commodities in New Zealand's Imports from the Pacific Alliance

Table A4

Top twenty Pacific Alliance exports to the New Zealand in 2014

Rank	Chile		Colombia		Mexico		Peru	
	SITC	Industry	SITC	Industry	SITC	Industry	SITC	Industry
1	'4703	Chemical wood pulp, soda or sulphate, other than dissolving grades	'0901	Coffee	'8703	Cars (incl. station wagon)	'1504	Fish/marine mammal,fat,oils&their fractions
2	'7408	Copper wire	'0510	Bile and other animal glands for pharmaceutical preparation	'2203	Beer made from malt	'4303	Articles of apparel, clothing access and other articles of furskin
3	'4412	Plywood, veneered panels and similar laminated wood	'1516	Animal or veg fats, oils&fract, hydrogenated	'8517	Electric app for line telephony,incl curr line system	'2510	Calcium and aluminum calcium phosphates, natural & phosphatic chalk
4	'8902	Fishing vessels and factory ships	'3004	Medicament mixtures (not 3002, 3005, 3006), put in dosage	'8471	Automatic data processing machines;optical reader, etc	'0801	Brazil nuts, cashew nuts & coconuts
5	'2309	Animal feed preparations, nes	'2933	Heterocyclic compounds with nitrogen hetero-atom; nucleic acids & thei	'8516	Electric instantaneous water heater,space htg; hair dryer	'1008	Buckwheat, millet and canary seed
6	'0811	Frozen fruits & nuts	'9602	Workd vegetal/mineral carving material; etc	'5502	Artificial filament tow	'0806	Grapes, fresh or dried
7	'0806	Grapes, fresh or dried	'3923	Plastic packing goods or closures stoppers, lids, caps, closures, plas	'2208	Spirits, liqueurs, other spirit beverages, alcoholic preparations	'0901	Coffee
8	'2204	Wine of fresh grapes	'2101	Extracts essences & concentrates of coffee and tea	'8418	Refrigerator, freezer, etc	'2528	Natural borates & concentrates; natural boric acid not more than 85% h
9	'2007	Jams,fruit jellies & marmalades	'0603	Cut flowers and flower buds for bouquets, fresh or dried	'8528	Television receivers (incl video monitors & video projectors)	'4407	Wood sawn/chipped lengthwise, sliced/peeled
10	'4409	Wood continuously shaped along any edges	'3808	Insecticides, fungicides, herbicides packaged for retail sale	'9019	Mechano-therapy appliance (artif resp, massage app, ozon/oxygen)	'0307	Moluscs
11	'4407	Wood sawn/chipped lengthwise, sliced/peeled	'3503	Gelatin and gelatin derivates; glues of animal origin nes	'8903	Yachts & other vessels for pleasure or sports	'0804	Dates, figs,pineapples, mangoes, avocadoes, guavas
12	'3923	Plastic packing goods or closures stoppers, lids, caps, closures, plas	'9401	Seat (o/t dentists' & barbers' chairs, etc), &part thereof	'2009	Fruit & vegetable juices, unfermented	'2005	Prepared or preserved vegetables nes (excl. frozen)
13	'7310	Iron &steel tank,cask,drum can,boxes (cap<=300l)	'1704	Sugar confectionery (incl white choc), not containing cocoa	'8704	Trucks, motor vehicles for the transport of goods	'5701	Carpets and other textile floor covering knotted
14	'2009	Fruit & vegetable juices, unfermented	'5603	Nonwovens, w/n impregnated, coated, covered or laminated	'0510	Bile and other animal glands for pharmaceutical preparation	'7901	Unwrought zinc
15	'1515	Fixed vegetable fats&oils & their fractions	'5407	Woven fabrics of synth. filam yarn (incl. hd no 54.04)	'0901	Coffee	'4409	Wood continuously shaped along any edges
16	'2918	Carboxylic acids & their derivatives	'3921	Plates, sheets, film, foil and strip, of plastics, nes	'2936	Provitamins&vitamins, natural/reproduced by synthesis	'7408	Copper wire
17	'3808	Insecticides, fungicides, herbicides packaged for retail sale	'2008	Preserved fruits nes	'7321	Iron & steel stoves,ranges,barbecues &sim non-elec dom app.	'1106	Flour and meal of vegetables, roots and tubers or fruits
18	'1604	Prepared/preserved fish & caviar	'7103	Precious & semi-precious stone,not strug,	'8413	Pumps for liquids; liquid elevators	'9306	Bombs, grenades, ammunitions & parts
19	'3102	Mineral or chemical fertilizers, nitrogenous	'6912	Ceramic tableware,kitchenware, othar than porcelain/china	'8424	Mechanical appl. for proj/dispersing/spray;sand blastg mach,etc	'5105	Wool & fine or coarse animal hair, carded or combed
20	'8430	Moving/grading/scraping/boring machinery for earth	'3926	Article of plastic nes.	'2937	Hormones; their derivatives; steroids nes	'2001	Cucumbers, gherkins and onions preserved by vinegar

SITC: Standard International Trade Classification.

Source: Estimated using data from the International Trade Centre: Trade Map. Recovered in June 2015

Table 10: Top twenty Pacific Alliance exports to the New Zealand in 2014

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